



Contractors' Registration and Licensing Board  
Division of Capital Projects and Property Management  
One Capitol Hill  
Providence, Rhode Island 02908

**Web Site:** [www.crb.state.ri.us](http://www.crb.state.ri.us)

**Telephone #** (401) 222-1268

***Information beneficial to consumers when entering into a contract:***

### **NOTICE OF POSSIBLE MECHANIC'S LIEN**

To: \_\_\_\_\_

(Insert name of owner, lessee or tenant, or owner of less than the simple fee.)

The undersigned is about to perform work and/or furnish materials for the construction, erection, alterations or repair upon the land at \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(INSERT ADDRESS)

under contract with you. This notice that the undersigned and any other persons who provide labor and materials for the improvement under contract with the undersigned may file a mechanic's lien upon the land in the event of nonpayment to them. It is your responsibility to assure yourself that those other persons under contract with the undersigned receive payment for their work performed and materials furnished for the construction, erection, alteration or repair upon the land. Failure to adhere to the provisions of this subsection may result in a one thousand dollars (\$1,000) fine against the contractor.

Pursuant to RIGL 5-65-18 all written contracts entered into between a contractor and a property owner must contain a statement that the contractor, subcontractors, or material persons may file a lien in accordance with the Rhode Island Mechanics Lien Act, chapter 28 of title 34.

**Beneficial Information to Consumers**  
**Summary of Registration Law (R.I.G.L. Title 5 Chapter 65)**  
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***Contractor Registration***

Rhode Island state law requires anyone who is in the business of home construction, alterations, remodeling, or repair to a residential structure to be registered with the state. This includes partnerships, corporations, and self employed individuals, whether working by the hour, week, job, or “cost plus”, whether by a written contract or oral agreement. The law also applies to anyone advertising, bidding, or otherwise offering or arranging to do or have such work performed including painting, roofing, floor covering, framing, finish carpentry, and many more building specialties. Violations of the law can result in penalties of up to \$10,000.00 per offense as well as criminal prosecution for non-compliance of final orders issued by the board.

- **Does the contract have the contractor’s registration number listed?**
- **What are the terms of cancellation?** Contracts entered into must contain a notice of rescission as stipulated in all pertinent R.I. consumer protection laws, pursuant to RIGL 5-65-3 (h) (iii). If signed outside of the place of business, Rhode Island General Law 6-28-4, clearly states that no agreement of the buyer in a door-to-door sale shall be effective unless it is signed and dated by the buyer and unless it contains the following in **ten (10) point bold face** type or larger directly above the space reserved in the agreement for the signature of the buyer: **Notice to buyer: (1)** Do not sign this agreement if any of the spaces intended for the agreed terms to the extent of then available information are left blank. **(2)** You are entitled to a copy of this agreement at the time you sign it. **(3)** You may at any time pay off the full unpaid balance due under this agreement, and in so doing you may be entitled to receive a partial rebate of the finance and insurance charges. **(4)** The seller has no right to unlawfully enter your premises or commit any breach of the peace to repossess goods purchased under this agreement. **(5)** You may cancel this agreement if it has not been signed at the main office or a branch office of the seller, provided you notify the seller at his or her main office or branch office shown in the agreement by registered or certified mail, which shall be posted not later than midnight of the third calendar day after the day on which the buyer signs the agreement, excluding Sunday and any holiday on which regular mail deliveries are not made. **(see the RIGL 6-28 for more information regarding this law)**
- **Insurance!** The Rhode Island contractors’ registration law requires contractors to maintain a minimum of \$500,000.00 in liability insurance. In addition, contractors with employees are required to maintain workers’ compensation insurance. Insist that a current certificate of the company’s insurance policy be sent directly to you from their insurance carrier / agent with your name and address on it listing you as a certificate holder before any work begins.
- **What are the payment terms?** Payments should be made pursuant to the terms of the written contract. Consider and question the amount of the deposit which can vary depending on type of work. (i.e. Special orders, etc.)
- **What is the time frame?** Provide start date, finish date? Maybe a reward or penalty clause should be included if time is of the essence.
- **Is there an arbitration clause in the contract?** Who is paying for that service? Read the fine print and make sure you know the terms.
- **Permits?** Is this included in your contract, or are you taking care of it? This is for your safety!
- **Contracts:** All contracts exceeding \$1,000.00 in value must be in writing.
- **Disclaimer:** The above information is provided by the board pursuant to 5-65-3 and does not encompass all the recent amendments to the general law, for additional information please contact the Board or visit our website.

